

Notice of the Eighteenth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting (“**18th AGM**”) of the Company will be held at The Function Room 1, Level 2, Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka on **Friday, 24 July 2020** at 10:30 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 15)**
2. To approve the declaration and payment of a final single-tier dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2019. (Resolution 1)
3. To approve the payment of Directors’ fees amounting to RM340,000/- from 25 July 2020 until the Nineteenth AGM of the Company. (Resolution 2)
4. To approve the payment of Directors’ benefits payable up to an amount of RM28,000/-, from 25 July 2020 until the Nineteenth AGM of the Company. (Resolution 3)
5. To re-elect the following Directors who are retiring in accordance to Clause 120 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (a) Mr. Siow Kee Yen; (Resolution 4)
 - (b) Mr. Tan Chin Hwee; and (Resolution 5)
 - (c) Mr. Sai Han Siong (Resolution 6)
6. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Resolution 7)

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

7. **Ordinary Resolution** (Resolution 8)
Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

THAT subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being (hereinafter referred to as the “**20% General Mandate**”) as empowered by Bursa Securities pursuant to Bursa Malaysia Berhad’s letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers;

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AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.

8. **Ordinary Resolution** (Resolution 9)
Retention of Datuk Adillah Binti Ahmad Nordin as Independent Non-Executive Director

THAT approval be and is hereby given to Datuk Adillah Binti Ahmad Nordin, who has served as an Independent Non-Executive Director for a cumulative term of more than 12 years, to continue to act as an Independent Non-Executive Director of the Company.

9. **Ordinary Resolution** (Resolution 10)
Retention of Mr. Siow Kee Yen as Independent Non-Executive Director

THAT subject to the passing of Resolution 4, approval be and is hereby given to Mr. Siow Kee Yen, who has served as an Independent Non-Executive Director for a cumulative term of more than 12 years, to continue to act as an Independent Non-Executive Director of the Company.

10. **Ordinary Resolution** (Resolution 11)
Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

THAT subject to the provisions of the Bursa Securities Main Market Listing Requirements, approval be and is hereby given for the renewal of the existing shareholders' mandate for the Company and/or its subsidiaries ("**ORNA Group**") to enter into recurrent related party transactions of a revenue or trading nature with the Related Party as specified in Section 1.4 of the Circular to Shareholders dated 25 June 2020 which are necessary for the day-to-day operations of the ORNA Group, to be entered by the ORNA Group in the ordinary course of business and are on terms which are not more favourable to the parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until the earlier of:-

- (i) the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Act but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) is revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

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AND THAT the Directors of the Company be authorised to complete and do such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to this resolution.

11. **Ordinary Resolution**

(Resolution 12)

Proposed Renewal of Authority for the Company to Purchase Its Own Shares (“Proposed Renewal of Share Buy-Back Authority”)

THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:

- (i) to cancel all the shares so purchased; and/or
- (ii) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees’ share scheme and/or transfer as purchase consideration; and/or
- (iii) to retain part thereof as treasury shares and cancel the remainder; or
- (iv) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which this resolution was passed at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

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- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever, occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.

- 12. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final single-tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 December 2019, if approved by the shareholders at the forthcoming Eighteenth AGM, will be paid on 15 September 2020 to depositors who are registered in the Record of Depositors at the close of business on 1 September 2020, if approved by shareholders at the forthcoming Eighteenth AGM on Friday, 24 July 2020.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) Shares transferred into the Depositor's Securities Account before 4:30 p.m. on 1 September 2020 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689) / SSM PC NO.: 201908002648

YAU JYE YEE (MAICSA 7059233) / SSM PC NO.: 202008000733

Company Secretaries

Melaka

Dated: 25 June 2020

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IMPORTANT NOTICE

1. The Board of Directors ("**Board**") is cognisant of the COVID-19 pandemic as declared by the World Health Organisation which, to-date, is still subsisting. The health and safety of the Company's shareholders, Directors, staff and other stakeholders is of paramount concern for the Company. In view of the foregoing, the Company wishes to advise shareholders that necessary steps and measures will be undertaken in holding the Company's 18th AGM.

In view of the COVID-19 pandemic and further to the "Guidance and FAQs on the Conduct of General Meetings for Listed Issuers" issued by the Securities Commission, members/proxies/corporate representatives who wish to attend the 18th AGM in person **ARE REQUIRED TO PRE-REGISTER ("RSVP")** with the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("**Share Registrar**", "**Tricor**", or "**TIIH**"), via the **TIIH Online** website at <https://tiih.online> no later than **Wednesday, 22 July 2020 at 10.30 a.m.** Please follow the RSVP Procedures in the Administrative Details for the 18th AGM.

2. A member of a Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at meeting of members of the Company. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints more than one (1) proxy in respect of each omnibus account to attend and vote at the same meeting, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be in writing signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing proxy(ies) must be made either under its common seal or signed by an officer or an attorney duly authorised.
7. A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 18th AGM must request his/her proxy or attorney or corporate representative to submit their RSVP at **TIIH Online** website at <https://tiih.online> no later than **Wednesday, 22 July 2020 at 10:30 a.m.** Please follow the RSVP Procedures in the Administrative Details for the 18th AGM.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 18th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

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(i) **In hard copy form**

In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) **By electronic form**

The Proxy Form can be electronically lodged via **TIIH Online** website at <https://tiih.online> (applicable to individual member only). Kindly refer to the Administrative Details on the procedure for electronic lodgement of proxy form via TIIH Online.

9. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
10. Last date and time for lodging the form of proxy is **Wednesday, 22 July 2020 at 10:30 a.m.**
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 18th AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
13. For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 16 July 2020**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this 18th AGM or appoint proxies to attend and vote in his stead.
14. **Publication of Notice of 18th AGM and Proxy Form on Corporate Website**

Pursuant to Section 320(2) of the Act, a copy of this Notice together with the Proxy Form are available at the corporate website of Ornapaper Berhad at:-

 - (i) [www.ornapaper.com/ornapa/bursa_AGM/18th AGM Proxy Form.pdf](http://www.ornapaper.com/ornapa/bursa_AGM/18th%20AGM%20Proxy%20Form.pdf); and
 - (ii) [www.ornapaper.com/ornapa/bursa_AGM/18th AGM Notice.pdf](http://www.ornapaper.com/ornapa/bursa_AGM/18th%20AGM%20Notice.pdf)

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15. Audited Financial Statements for the financial year ended 31 December 2019

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Explanatory Notes:-

(i) Payment of Directors' Fees and Benefits Payable

Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Resolution 2, if approved, will authorise the payment of Directors' fees to the Non-Executive Directors ("**NEDs**") by the Company for the period from 25 July 2020 to the Nineteenth AGM of the Company and to be payable on a monthly basis in arrears after each month of completed service of the Directors. This resolution is to facilitate payment of Directors' fees on current financial year basis.

The proposed Resolution 3, if approved, will authorise the payment of Directors' benefits to the Company by the Company. The proposed Directors' benefits payable is for the period from 25 July 2020 to the Nineteenth AGM of the Company and the estimated amount is derived from the estimated meeting allowance based on the number of scheduled meetings. The Directors' benefits comprised of meeting allowance only.

(ii) Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution 8 is intended to renew the authority granted to the Directors of the Company at the Seventeenth AGM of the Company held on 24 May 2019 to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being (hereinafter referred to as the "**20% General Mandate**").

As part of the initiative from Bursa Malaysia Securities Berhad ("**Bursa Securities**") to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and Movement Control Order imposed by the Government, Bursa Securities had vide Bursa Malaysia Berhad's letter dated 16 April 2020 allow a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Main Market Listing Requirements of Bursa Securities of not more than 20% of the total number of issued shares (excluding treasury shares) for the general issue of new securities.

This 20% General Mandate may be utilised by listed issuer to issue new securities until 31 December 2021 and thereafter, the 10% general mandate will be reinstated.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the 20% General Mandate is in the best interests of the Company and its shareholders on the following basis:-

- the proposed 20% General Mandate would allow the Company to raise equity financing promptly rather than the more costly and time-consuming process by obtaining shareholders' approval in a general meeting should the need for capital arise.
- other financing alternatives such as debt financing may incur interest expenses to the Group as compared to equity financing.
- the proposed 20% General Mandate would provide a good opportunity for the Company to raise additional capital expeditiously for its operations, future expansion and business development during this challenging time.
- the proposed 20% General Mandate provides the Company with the capability to capture any capital raising and/or prospective investment opportunities if and when they arise and would best serve the Company's interests in its endeavours and potential plans for future expansion. In view of the current volatile and challenging market conditions and that potential transactions may need to be conducted within a short and restricted timeframe, the readily available 20% General Mandate presents the most suitable method for the Company in the interim period prior to the next AGM of the Company.

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This proposed 20% General Mandate, if passed, will provide flexibility for the Company and empower the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM. The proceeds raised from the proposed 20% General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

(iii) Retention as Independent Non-Executive Directors

Datuk Adillah Binti Ahmad Nordin and Mr. Siow Kee Yen were appointed as Independent Non-Executive Directors of the Company on 2 December 2002, and have served on the Board of Directors (**"the Board"**) for a cumulative term of more than 17 years. In accordance with the Malaysian Code on Corporate Governance, the Board, after having assessed the independence of Datuk Adillah Binti Ahmad Nordin and Mr. Siow Kee Yen, regarded them to be independent based amongst others, the following justifications and recommends that Datuk Adillah Binti Ahmad Nordin and Mr. Siow Kee Yen be retained as Independent Non-Executive Directors of the Company:

- a. They have met the independence guidelines as set out in Chapter 1 of Bursa Securities Main Market Listing Requirements;
- b. They do not have any conflict of interest with the Company and has not been entering/are not expected to enter into contract(s), especially material contract(s), with the Company and/or its subsidiary companies; and
- c. The Board is of the opinion that Datuk Adillah Binti Ahmad Nordin and Mr. Siow Kee Yen are important Independent Non-Executive Directors of the Board in view of their many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and have provided invaluable contributions to the Board in their role as Independent Non-Executive Directors.

(iv) Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolution 11, if approved, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations to facilitate transactions in the normal course of business of the Company with the specified classes of related parties, provided that they are carried out on arms' length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 25 June 2020 for detailed information.

(v) Proposed Renewal of Share Buy-Back Authority

The proposed Resolution 12, if passed, will renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

For further information on the Proposed Renewal of Share Buy-Back Authority, please refer to the Share Buy-Back Statement set out in the Annual Report 2019.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the Eighteenth AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.